

The Reserve at Lake Tyler Homeowners Association

15302 Reserve Blvd
Tyler, TX 75707

ASSESSMENT COLLECTION POLICY

Pursuant to Article 8.02 of the Deed Restrictions of The Reserve at Lake Tyler, the Association is entitled to enforce the obligation to timely remit payment for assessments. The following collection policy is hereby approved by the Board of Directors, which will be uniformly enforced for unpaid assessments.

ARTICLE I: JUDICIAL FORECLOSURE

1. All regular assessments and related charges authorized pursuant to Article VI of the Deed Restrictions for The Reserve at Lake Tyler are due in full prior to the first (1st) day of April, per annum. In the event the members approve Special Assessments and / or Reimbursement Assessments, such assessments shall be due in full within sixty (60) days of approval of same. In the event the members approve Maintenance Assessments, such assessment shall be due in full within ten (10) days per Article 5.01 of the Deed Restrictions for The Reserve at Lake Tyler.
 - a. Payment by personal check, cashier's check or any tangible method of payment must be received before midnight on the thirty first (31st) day of March per annum.
 - b. Payment by electronic means, including but not limited to bank transfers, must be initiated prior to the first (1st) day of April.
2. In the event payment is not received as mandated in Section 1 of this Article, a ten percent (10%) late charge shall be applied to the offending member.
3. If there is any account balance due on an assessment account for any Lot after the fifteenth (15th) day of April, the Association may send a notice advising the Member of the offending Lot that the assessment is late and it must be paid prior to the fifteenth (15th) day of May of that year. If the Association elects to send such notice, it shall be sent by United States Postal Service (USPS) First Class Mail and Certified Mail Return Receipt Requested (CMRRR). In such event, the Association will inform the Member of the Member's right to dispute the amount shown to be due before the Board, if a written request to do so is received within forty-five (45) days of receipt of the notice. Furthermore, this notice will inform the Member that after the expiration of forty-five (45) days after delivery, or the first (1st) day of June of that year, if the account remains unpaid, it is subject to being turned over to the attorney for the Association to begin collection activities.
 - a. For the purposes of this collection policy, a notice is deemed "delivered" on the earlier of: 1) signature date on the return receipt or; 2) three (3) days after the postal stamped date on the original envelope.
4. On the first (1st) business day of June, the Association may turn over all delinquent accounts to the Association's attorney. Such attorney shall send correspondence to the Member of the offending Lot, that the assessment is late, has been sent to legal

counsel, and that payment in full is due within thirty (30) days following delivery of such notice.

- a. The costs for the initial notice from legal counsel shall be charged at a uniform rate.
 - b. The initial notice shall be sent via USPS First Class Mail and CMRRR.
 - c. The initial notice shall also provide the Member with a true and correct copy of the account balance as maintained by the Association, and provide a breakdown of fees, late charges and attorney's fees incurred at this time.
5. All attorney fees, court costs, and other related charges, including but not limited to postage and handling fees, related to the collection of unpaid assessments shall be charged to the delinquent Member's account. As such, these fees and charges shall be included into the assessment due and owing, and be collected in the same manner as the assessments, subject to applicable law.
6. In the event the offending Member fails to make arrangements for payment within thirty (30) days after delivery of the initial notice from counsel, the Association's attorney may be authorized to send a second notice containing the information mandated by Section 4 of this Article, along with an updated breakdown of fees, late charges and attorneys fees incurred at this time, specifically including the costs for the second notice. However, the second notice shall mandate payment within fifteen (15) days of delivery.
 - a. The costs for the second notice from legal counsel shall be charged at a uniform rate.
 - b. Such notice shall be sent via USPS First Class Mail and CMRRR.
 - c. The initial notice shall also provide the Member with the following:
 - i. a true and correct copy of the account balance as maintained by the Association, and provide a breakdown of fees, late charges and attorney's fees incurred at this time;
 - ii. a draft of the Original Petition to be filed by the Association's attorney in the event litigation is necessary to recover the unpaid assessments, charges, fees and costs.
7. After the expiration of fifteen (15) days from the date the second notice is delivered, and in the event assessments are not paid in full in accordance with the foregoing, the Association's attorney may be authorized to file a lien against the property that shall be kept current until the property is sold. However, the Association maintains the right to authorize the Association's attorney to file a lawsuit in any court of competent jurisdiction seeking all monies due from the Member, including assessment, attorney's fees, postage, late fees, court costs and interests (pre- and post-judgment interests), which come due during the pendency of the lawsuit, and to seek an Order authorizing judicial foreclosure of the Member's Lot.
8. If judgment is granted in favor of the Association, and against the Member, and arrangements have not been made between the Member and the Association to remit payment before the foreclosure date noticed in the posting notice, the property may be foreclosed and sold at foreclosure sale. The Association may bid in at such foreclosure sale by and through its attorney.

9. The Association's President is authorized to appoint the Association's attorney as Trustee / Substitute Trustee to notice and hold the foreclosure sale referenced in Section 8 of this Article.
 - a. For the purposes of this section, the term, "Association's attorney" shall include any licensed attorney working for the law firm retained by the Association, subject to any special limitations imposed by the Board at its discretion.
10. After foreclosure, the lender holding the first lien on the property and the Owner will be notified of the Association's action at the last known address on file with the Association or any other address located by the Association's attorney.
11. If after foreclosure, and any applicable retention period following such foreclosure, a Member or his tenant continues to occupy any dwelling on the Lot, a forcible detainer will be filed seeking possession.
12. In the event a Lot is foreclosed, but the Member still owes a balance of assessments to the Association, the Association's attorney is authorized to file a deficiency suit against the Member for recovery of said monies.
13. At all times during the collection process, the Association's attorney is authorized to enter into negotiations for the payment of the assessments with the Member in an attempt to collect the obligation owed to the Association, and may charge a fee for preparing any agreement reflecting the payment arrangements.
 - a. The Association's attorney is authorized to offer a payment plan of fifty percent (50%) down payment, with the remaining monies payable over three (3) equal installments.
 - b. All payment arrangements must be approved by the Board, bearing the signature of the President of the Association.
14. During all times and stages of collection, payments made by Member or Co-owner will be applied to the collection costs firsts, then to the oldest balance on the Member's account.
 - a. The term "balance" shall include without differentiation, assessments, late charges, interests, attorneys' fees, fines, penalties, costs, and other fees as are reasonable incurred in collection of the assessment.

ARTICLE II: NON-JUDICIAL FORECLOSURE

1. All regular assessments and related charges authorized pursuant to Article VI of the Deed Restrictions for The Reserve at Lake Tyler, are due in full prior to the first (1st) day of April, per annum. In the event the members approve Special Assessments and/or Reimbursement Assessments, such assessments shall be due in full within sixty (60) days of approval of same. In the event the members approve Maintenance Assessments, such assessment shall be due in full within ten (10) days per Article 5.01 of the Deed Restrictions for The Reserve at Lake Tyler.
 - a. Payment by personal check, cashier' check or any tangible method of payment must be received before midnight on the thirty-first (31st) day of March.
 - b. Payment by electronic means, including but not limited to bank transfers, must be initiated prior to the first (1st) day of April.

2. In the event payment is not received as mandated in Section 1 of this Article, a ten percent (10%) late charge shall be applied to the offending member.
3. If there is any account balance due on an assessment account for any Lot after the fifteenth (15th) day of April, the Association shall send a notice advising the Member of the offending Lot that the assessment is late and it must be paid prior to the fifteenth (15th) day of May of that year. Such notice shall be sent via United States Postal Service (USPS) First Class Mail and Certified Mail Return Receipt Requested (CMRRR). In such event, the Association will inform the Member of the Member's right to dispute the amount shown to be due before the Board, if a written request to do so is received within forty-five (45) days of receipt of the notice. Furthermore, this notice will inform the Member that after the expiration of forty-five (45) days after delivery, or the first (1st) day of June of that year, if the account remains unpaid, it is subject to being turned over to the attorney for the Association to begin collection activities.
 - a. For the purposes of this collection policy, a notice is deemed "delivered" on the earlier of: 1) signature date on the return receipt or; 2) three (3) days after the postal stamped date on the original envelope.
4. On the first (1st) business day of June, the Association shall turn over all delinquent accounts to the Association's attorney. Such attorney shall send correspondence to the Member of the offending Lot, that the assessment is late, has been sent to legal counsel, and that payment in full is due within thirty (30) days following delivery of such notice.
 - a. The costs for the initial notice from legal counsel shall be charged at a uniform rate, as determined by the Board of Directors.
 - b. The initial notice shall be sent via UPSP First Class Mail and CMRRR.
 - c. The initial notice shall also provide the Member with a true and correct copy of the account balance as maintained by the Association, and provide a breakdown of fees, late charges and attorney's fees incurred at this time.
5. All attorney fees, court costs, and other related charges, including but not limited to postage and handling fees, related to the collection of unpaid assessments shall be charged to the delinquent Member's account. As such, these fees and charges shall be included into the assessment due and owing, and be collected in the same manner as the assessments, subject to applicable law.
6. In the event the offending Member fails to make arrangements for payment within thirty (30) days after delivery of the initial notice from counsel, the Association's attorney is authorized to send a second notice containing the information mandated by Article 4 of this Article, along with an updated breakdown of fees, late charges and attorneys fees incurred at this time, specifically including the costs for the second notice. However, the second notice shall mandate payment within fifteen (15) days of delivery.
 - a. The costs for the second notice from legal counsel shall be charged at a uniform rate.
 - b. Such notice shall be sent via USPS First Class Mail and CMRRR.
 - c. The initial notice shall also provide the Member with the following:
 - i. a true and correct copy of the account balance as maintained by the Association, and provide a breakdown of fees, late charges and attorney's fees incurred at this time;

- ii. a draft of the Original Petition to be filed by the Association's attorney in the event litigation is necessary to recover the unpaid assessments, charges, fees and costs.
7. After the expiration of fifteen (15) days from the date the second notice is delivered, and in the event assessments are not paid in full in accordance with the foregoing, the Association's attorney is authorized place a lien on the Member's Lot to protect the Association's interests. All assessments, attorney's fees, postage, late fees, filing fees, and court costs will be included in the lien and the Member's balance.
8. If the Member fails to make payment in full, including all assessments, attorney's fees, postage, late fees, filing fees, and court costs incurred in the collection process within thirty (30) days of filing the lien referenced in Section 7 of this Article, the Association's attorney is authorized to pursue the right to non-judicial foreclosure as provided in Article 8.02 of the Deed Restrictions of The Reserve at Lake Tyler.
9. If arrangements have not been made between the Member and the Association to remit payment before the foreclosure date noticed in the posting notice, the property may be foreclosed and sold at foreclosure sale. The Association may bid in at such foreclosure sale by and through its attorney.
10. The Association's President is authorized to appoint the Association's attorney as Trustee/Substitute Trustee to notice and hold the foreclosure sale referenced in Section 9 of this Article.
 - a. For the purposes of this section, the term, "Association's attorney" shall include any licensed attorney working for the law firm retained by the Association, subject to any special limitations imposed by the Board at its discretion.
11. After foreclosure, the lender holding the first lien on the property and the Member will be notified of the Association's action at the last known address of file with the Association or any other address located by the Association's attorney.
12. If after foreclosure, and any applicable retention period following such foreclosure, an Owner or his tenant continues to occupy any dwelling on the Lot, a forcible detainer will be filed seeking possession.
13. In the event a Lot is foreclosed, but the Member still owes a balance of assessments to the Association, the Association's attorney is authorized to file a deficiency suit against the Member for recovery of said monies.
14. At all times during the collection process, the Association's attorney is authorized to enter into negotiations for the payment of the assessments with the Member in an attempt to collect the obligation owed to the Association, and may charge a fee for preparing any agreement reflecting the payment arrangements.
 - a. The Association's attorney is authorized to offer a payment plan of fifty percent (50%) down payment, with the remaining monies payable over three (3) equal installments.
 - b. All payment arrangements must be approved by the Board, bearing the signature of the President of the Association.

15. During all times and stages of collection, payments made by Member or Co-owner will be applied to the collection costs firsts, then to the oldest balance on the Member's account.
- a. The term "balance" shall include without differentiation, assessments, late charges, interests, attorneys' fees, fines, penalties, costs, and other fees as are reasonable incurred in collection of the assessment.